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Hot off the Press

- **The SBA has issued proposals to strengthen opportunities for disadvantaged small businesses to benefit from its 8(a) Business Development Program. The proposals, published in the Federal Register, provide changes in determining economic disadvantage to Joint Venture and Mentor-Protégé programs. Comments can be submitted to the SBA on the proposals on or before Dec. 28, 2009. The comments can be emailed to: 8aBD2@sba.gov.**

Helping small businesses
start, grow and succeed.



SBA Tops \$40 Million in Disaster Loans

Agency Helps Flood Recovery in over 17 Georgia Counties

The U.S. Small Business Administration (SBA) has approved over \$40 million in federal low-interest disaster loans to Georgia homeowners, renters and businesses who sustained damages from the severe storms and flooding that occurred from last September 18 through October 8 in Georgia.

"Currently, 1,085 SBA disaster loans for homes and businesses have been approved for \$40.4 million for affected victims," said Frank Skaggs, Director of SBA's Field Operations Center East. "We are pleased to be able to approve these loans so the residents and businesses of Georgia can start to rebuild their normal lives."

Homeowners, renters, businesses and non-profit organizations of all sizes in the following counties in Georgia were eligible to apply for both SBA's

Physical and Economic Injury Disaster Loans (EIDLs): Bartow, Carroll, Catoosa, Chattooga, Cherokee, Cobb, Coweta, DeKalb, Douglas, Fulton, Gwinnett, Heard, Newton, Paulding, Rockdale, Stephens and Walker

SBA also offers EIDLs to help meet working capital needs of small businesses, and most private non-profit organizations of all sizes.

Disaster loans up to \$200,000 were available to homeowners to repair or replace their damaged or destroyed primary residence. Homeowners and renters were eligible up to \$40,000 to repair or replace damaged or destroyed personal property.

Businesses and non-profit organizations of any size could borrow up to \$2 million to repair or replace damaged or destroyed real estate, equipment, and other business assets. SBA can



Flood Victim receives Help at SBA Disaster Recovery Center

also lend additional funds to homeowners and businesses to help with the cost of making improvements that prevent or minimize the same type of disaster damage in the future.

Anyone unable to visit a Recovery Center may obtain information and loan applications by calling the SBA's Customer Service Center at 1-800-659-2955 (or 1-800-877-8339 for the hearing impaired) Monday through Saturday, 8 a.m. to 9 p.m. EDT, or send an email to disastercustomerservice@sba.gov. The filing deadline for applications was November 23, 2009. The deadline to return economic injury applications is June 24, 2010.

TRANSITION SET ON ARA LOAN FEE PROVISIONS

The SBA has begun a transition period on two of its Recovery Act programs that eliminated guaranty fees on most loans as well as provided up to 90 percent guaranties for most 7(a) loans.

A lender has a choice of submitting an application as a standard SBA loan or as a Recovery Act loan.

The SBA will conditionally approve the application subject to the availability of Recovery Act funding. Loan applications that are conditionally approved will receive a loan application number and be placed in the SBA Recovery Loan "Queue." The loan application number is the key

to a lender knowing their place in line for funding of new Recovery Act loan applications. January 15, 2010 is the last day that new loan applications that have been conditionally approved by SBA will be placed in the Recovery Loan Queue awaiting funds.

PROGRAM NEWS

President Obama Proposes Higher SBA Loan Maximums

- Would Cover 7(a), 504 and Microloan Programs -

SBA Administrator Karen Mills issued a statement following the recent proposal by President Barack Obama to raise the maximum loan size for SBA-backed loans to small business:

"America's 29 million small businesses have been hard hit in this recession. Nine months ago, President Obama sent small businesses a life line: the American Recovery and Reinvestment Act. Since then, the SBA has supported more than 33,000 loans for a total of almost \$13 billion in small business lending. This has helped save or create tens of thousands of jobs.

"But there is much more work to be done, which is why President Obama has pledged his support for legislation that would increase the maximum size of some SBA loans. Increasing maximum loan sizes will allow the SBA to ensure that more small business owners and entrepreneurs can get access to the credit they need to expand their operations and create jobs."

The Obama Administration also announced plans to hold a Forum on Jobs and Economic Growth on December 3rd at the White House. The forum will be an opportunity for the President and his economic team to hear from some of the best and brightest CEOs, small business owners, and financial experts about ideas for continuing to grow the economy and put Americans back to work. The President will follow the forum with a visit to Allentown, Pennsylvania the following day where he will kick off a White House to Main Street Tour that will take him to cities and towns across the country over the course of the next few months.

Dealing with SBA loans, President Obama specifically called for:

- Increasing the size of SBA's 7(a) loan from \$2 million to \$5 million.
- Increasing the size of SBA's 504 loan from \$2 million to \$5 million for standard borrowers (supporting a total project of \$12.5 million) and from \$4 million to \$5.5 million for manufacturers (supporting a total project of \$13.75 million).
- Increasing the size of SBA's Microloan from \$35,000 to \$50,000. A fact sheet on the proposal can be found at: http://www.sba.gov/idc/groups/public/documents/sba_homepage/sba_rcvry_new_effort_credit_sb.pdf

SBA to Guarantee New 504 First-Mortgage Loan Pools

-Expected to be Operational in about 60 Days-

The U.S. Small Business Administration plans to create a secondary market guarantee program to provide greater liquidity for lenders and expand access to capital for small businesses.

Funded through the **American Recovery and Reinvestment Act**, the new program would encourage sales into the secondary market of the "first mortgage" portion of small business financing made possible through the SBA's 504 Certified Development Company (CDC) program. As a result of the economic recession and the disruption in the credit markets, there has been a significant decline in secondary market activity for 504 first mortgage loans.

"This new program will stimulate activity in the secondary market, ensuring lenders have a place to sell first mortgage loans on their books and in turn have liquidity to make more loans to small businesses," SBA Administrator Karen Mills said.

The 504 CDC program provides credit for the purchase of real estate and other fixed assets tied to a business' expansion. Financing under the program includes three components: 1) a first mortgage or lien, which is made by a bank or other private commercial lender for 50 percent of the total project, but does not come with a government guarantee, 2) a second mortgage or lien, which is made by a CDC for 40 percent of the total project and guaranteed fully by the SBA, and 3) borrower equity for the remaining 10 percent of the total project.

Under the new program, portions of eligible 504 first mortgages pooled by originators or broker dealers could be sold with an SBA guarantee to third-party investors in the secondary market. Lenders will retain at least 15 percent of each individual loan, pool originators will assume 5 percent of the risk, and the SBA will guarantee the remaining 80 percent. To be eligible to be included in a pool, the first mortgage must be associated with a 504 loan disbursed on or after Feb. 17, 2009. The program will be in place until Feb. 16, 2011, or until \$3 billion in new pools are created, whichever occurs first.

SBA will begin accepting applications to become a pool originator from banks and broker dealers immediately.

LENDING UPDATE

Top Georgia Lenders are Posted for 7(a) and 504 Loan Programs

7(a) Lender Ranking /FY 2009

(Number of Loans)			(Total Dollar Amount)		
Branch Banking & Trust Co.	75 Loans	(1)	Metro City Bank	\$19.5 million	(1)
SunTrust Bank	74 Loans	(2)	First Financial Bank	\$18.8 million	(2)
Superior financial Group, LLC	66 Loans	(3)	One Georgia Bank	\$18.6 million	(3)
Innovative Bank	48 Loans	(4)	First intercontinental Bank	\$16.5 million	(4)
Borrego Springs Bank, N.A.	46 Loans	(5)	Branch Banking & Trust Co.	\$14.8 million	(5)
Metro City Bank	41 Loans	(6)	Quantum National Bank	\$13.3 million	(6)
First National Bank	37 Loans	(7)	American United Bank	\$9.6 million	(7)
First Intercontinental Bank	32 Loans	(8)	Fidelity Bank	\$8.4 million	(8)
One Georgia Bank	24 Loans	(9)	Colony Bank	\$8.3 million	(9)
Crescent Bank & Trust Co.	21 Loans	(10)	Crescent Bank & Trust Co.	\$7.5 million	(10)

504 Lender Ranking/FY 2009

Florida Business Development Corp.	46 Loans	(1)	Florida Business Development	\$32.5 million	(1)
Georgia Mountains Regional EDC	37 Loans	(2)	Georgia Resource Capital Inc.	\$31.4 million	(2)
Georgia Resource Capital Inc.	35 Loans	(3)	Capital Partners CDC	\$21.6 million	(3)
CSRA Local Development Corp.	27 Loan	(4)	CSRA Local Development Corp.	\$17.6 million	(4)
Coastal Area District Authority Inc.	24 Loans	(5)	Georgia Certified Development Corp.	\$15.8 million	(5)
Capital Partners CD Company	23 Loans	(6)	Georgia Mountains Regional EDC	\$13.2 million	(6)
Georgia Certified Development Corp.	23 Loans	(6)	Coastal Area District Authority Inc.	\$11.7 million	(7)
Small Business Assistance Corp.	6 Loans	(7)	Small Business Assistance Corp.	\$4.5 million	(8)
South Georgia Area Dev. Corp.	4 Loans	(8)	Econ. Dev. Corp., of Fulton County	\$740,000	(9)
Econ. Dev. Corp., of Fulton County	2 Loans	(9)	South Georgia Area Dev. Corp.	\$707,000	(10)
Georgia Small Business Lender Inc.	2 Loans	(9)	Georgia Small Business Lender Inc.	\$404,000	(11)

SBA has Online Course on Federal Contracts

The U.S. Small Business Administration has launched a new online training course to help strengthen access to contracting opportunities for small businesses, including those owned by women, minorities, disadvantaged individuals and veterans.

The free training course, "Recovery Act Opportunities: How to Win Federal Contracts," is part of a federal government-wide initiative being led by SBA and the Department of Commerce.

As part of the outreach to small businesses, the comprehensive online course uses both audio and script to provide information about

the federal marketplace, contract rules and, how to sell to the government.

The **Recovery Act Opportunities** course is available on SBA's Web site at www.sba.gov or directly at www.sba.gov/fedcontractingtraining. The course is indexed by subject matter to allow ease of use, and it includes multiple direct links to additional contracting resources.

The Recovery Act Opportunities course includes direct links that highlight the best contracting resources for small business owners. It is one of more than 24 online tutorials offered by the SBA, and is available 24/7. For more information please visit www.sba.gov.

Scott Manley Named SBDC Consultant of the Year

Scott Manley, Business Consultant with the Small Business Development Center at Valdosta State University, received the SBDC "Consultant of the Year" award.



"Manley is a visible leader in the Georgia SBDC network and clearly represents the best we hope to offer in commitment and professional," said Allan Adams, SBDC State Director, in presenting the award. Manley joined the SBDC in 1998.

SBA SUCCESS STORY

Micro Loans Help Structured Green Expand in Savannah

Earlier this year, Mike Ayres and his business partner, Raquel Anderson, were in the middle of an important contract to custom build 142 lockers for the Valdosta State University athletic department. Their company, Structured Green LLC of Savannah, was building the lockers with Forest Stewardship Council (fsc) certified plywood, finished in a Maple veneer with an eco-friendly, water-based clear coating.

The problem was their company, only a year old, needed additional funds to finish the job. And local banks were saying "no" to a loan even though Ayres had a state university purchase order that showed they would get paid.

"We needed money to buy additional materials to finish the contract, and a loan was critical since every dime we had was invested in the company," explained Ayres.

Fortunately, Ayres and his partner were directed to the Small Business Assistance Corporation (SBAC) an SBA certified micro lender based in Savannah. "We went to them with our purchase order and explained what we needed," said Ayres. "They (SBAC) had our paperwork on a Monday and by Thursday, they called and said we were approved for the loan."

Structured Green got its \$28,250 micro loan from SBAC in early March of this year. The loan, funded by the SBA, allowed the small company to finish production of the custom lockers at the Valdosta State campus. Since then, the loan has been paid off in full.

With their credit established, Ayres and his company were able to get another SBAC micro loan for \$30,000 in May of this year. Part of the second SBA-funded loan paid for a used, wide belt sander that greatly increases production of tables and other furniture. The company used the remainder of the second loan to buy a clamping rack that holds top sections of glued wood together on five 14-foot conference tables at one time.

The company opened as a web-based retailer in May 2007. A year later, Ayres and Anderson opened their store and workshop in a large Savannah warehouse that was first used as a commercial laundry in the 1920's. From the start, the owners have handled or produced "green" merchandise (furniture & accessories) that is made from sustainable, reclaimed and environmentally friendly materials.

Ayres says his company is starting to transition out of retail into manufacturing. A new line of company furniture is being introduced soon, and will be handled by a group of retailers as well as on the company web site.

Structured Green currently has five employees. However, Ayres said it expects to add several new employees depending on the market's reception to its new furniture line.

A native of Athens, Georgia, Ayres received his degree in Architecture from the Savannah College of Art and Design. Ms. Anderson is a native of St. Mary's, Georgia. She is a graduate of Georgia Southern University with a degree in Interior Design.



Ayres Checks the Fittings for a new Desk at his Savannah plant

SCORE Adding New Branch Office in Albany, Georgia

The Atlanta SCORE Chapter will open a new office in Albany early next year to serve the small business community in that southwest Georgia city.

The office will be located in the Albany Chamber of Commerce building, according to Jeff Mesquita, Chairman of the Atlanta SCORE Chapter # 48.

Mesquita said the chapter and its affiliated branch offices provided counseling, workshops and other services to approximately 12,000 small business owners and other clients.

SCORE celebrates 45 years of volunteer service in 2009, helping small businesses nationwide start up, grow and succeed. Nationally, SCORE offers free and confidential business mentoring and low-cost workshops to more than 350,000 people each year.

SCORE has 20 offices throughout Georgia. To find the one nearest to you, go to www.scoreatlanta.org. SCORE helps create more than 25,000 new jobs each year, based on a study by SBA Entrepreneurship Education resources. One in seven clients creates a new job.

SCORE helped create 19,732 new small businesses in 2007, according to an SBA report sent to Congress.

SCORE also reached a new milestone this year, helping 8.5 million clients since 1964.

"SCORE helps small business owners start up, stay in business and keep Americans employed," said SCORE CEO Ken Yancey. "SCORE has a proven track record of both creating and

saving jobs by improving small business survival rates and accelerating small business formation."

To help small businesses during the recession, SCORE launched the "Accelerate Your Success" Campaign. Each month, SCORE offers a new online toolkit with special articles, podcasts and workshops at www.score.org/accelerate.

To see more SCORE online services, go to its main web site at www.score.org.

SBA SUCCESS STORY 2

Unique Cleaning Service Plans Ahead for its 8(a) Graduation

When Tony Seller's company was approved for the SBA's 8(a) program in January 2001, this Navy veteran wasn't worried too much about where Unique Cleaning Service Inc., would be when it finished the nine-year development program. After all, his company entered the program with about 20 employees and annual sales of less than a half million dollars. So Sellers had only one way to grow and that was up.

Today, Sellers is facing a quickly approaching his exit date for 8(a) program participation on January 30, 2010. He knows he has to be prepared to transition his company from depending too much on federal contacts acquired through a lot of help from the 8(a) program. Toney's company, now at 125 employees, has acquired over 60 federal contracts, totaling over \$4.3 million, through its participating in 8(a).

Using organizational skills he acquired during 20 years in the U.S. Navy, Toney and his team of janitorial and facilities support personnel are handling federal contracts in 15 states as well as Puerto Rico. Their customers include Armed Forces Recruiting Stations, U.S. Food & Drug Administration offices, VA Clinics, Federal Aviation Administration (FAA) facilities, and U.S. Army Reserve Centers.

"8(a) has put us in a position where we can go after larger contracts without the program," says Sellers, a native of Wilson, N.C. "As part of our marketing program, myself and other company personnel are visiting with contracting officers in various cities so they can put a face with our company."

Sellers noted that his company was recently recognized as one of the Top 25 businesses in Cobb County by the local Chamber. He said this award, along with others received recently by the company, is being incorporated in Unique Cleaning Service's marketing program for the next several months. According to Sellers, an important benefit of the 8(a) program is that it allows your company to build relationships in the federal contracting community. "But in order to build those relationships, you have to perform," he adds.

Under the 8(a) Program, the SBA offers business development assistance including one-to-one counseling, management workshops, mentoring and other technical support. Currently, janitorial services work makes up approximately 60-70 percent of the total revenues of Unique Cleaning Service. Ground maintenance contracts make up another 25 percent of sales while security guard services generate about 5 percent of revenues.

To keep his employees up to speed, Sellers is pushing training for his workers as his 8(a) exit day draws near. "In our administrative area, we have training on a weekly basis," he pointed out.



Toney Sellers, CEO

Three Free SBA Workshops set for December

Three small business workshops will be held in December at the SBA Georgia District Office in downtown Atlanta. The free workshops will cover SBA Business Loan Requirements; Money & Debt Management; and Success Strategies for Tough Times.

The first workshop, on SBA Business Loan Requirements, will be held on December 2. All three workshops will run from 10 a.m. to 1:00 p.m. The target audience for the first workshop are established businesses looking for capital to expand or entrepreneurs who are "business ready."

Information at the workshop will include sources and uses of loans, components of a business plan, terms/conditions and other financial data, credit report and shop-

The Debt Management workshop will be held on December 3. Its target audience are people who are having difficulty getting a loan due to lenders' credit criteria. It will cover debt management, increasing your credit score and creating a workable budget.

The SBA workshop on Success Strategies will be held on December 17. This workshop will provide small business owners with tips on surviving an economic downturn.

Pre-registration is required. To register online, go to www.sba.gov/ga. Scroll down to the Spotlight Section-Register Now! Input relevant data and click "Register."

Registration forms can be faxed to 404/331-0101, attention Dorothy Fletcher. The SBA District Office is at 233 Peachtree St. NE, Harris Tower-Suite 1900, Atlanta, GA 30303.

MORE GEORGIA NEWS

SBA EXPANDS 'E200' INITIATIVE TO MORE CITIES

The U.S. Small Business Administration will expand the Emerging 200 (e200) initiative, an executive-level training program for small business owners, in 2010. The initiative will continue in 10 cities, including Atlanta, that have participated in the past, and expand into 12 communities with an emphasis on Native American business owners.

"Over the last few years e200 has been a catalyst for expanding opportunities for many promising small businesses in underserved communities – in particular those who have been most impacted by these tough economic times," SBA Administrator Karen Mills said. "Graduates of the program have increased their revenue, created jobs and helped drive local economic growth in their communities.

The expansion of e200 to Native American communities coincides with the President's recent appearance before Tribal Leaders in Wash-

ington, DC, during which he promised that the Administration would work with the Native American community to help build economic prosperity.

A group of 10 small businesses, ranging from a towing service to an architectural firm, were selected to take place in the agency's second "e200" initiative in Atlanta. "The basic goal of the initiative is to help promising inner-city firms step up to the next level," said Terri Denison, SBA Georgia District Director. "We look forward to their graduation from our program on Dec. 11."

The nine-month training includes approximately 100 hours of classroom time per participant and provides the opportunity for small business owners to work with experienced mentors, attend workshops and develop connections with SBA resource partners, city leaders, and local banks and other lenders.

The "e200" Atlanta firms are Enrichment Bookstores Inc., Brown & Pipkins LLC, Bryant Auto & Towing Service, The Coleman Group Inc., H&G Construction



Paula Henao, Partner with H&G Construction Concepts, presents a 3-year growth plan to a panel of business professionals at a "e200" training session in Atlanta.

Concepts, HA Office 515 Inc., Kronberg Wall Architects LLC, Prestige Design Group Inc., Atlanta Cargo Transportation, and Kera Enterprises Inc.

To date, more than half of the businesses that participated in e200 have seen an increase in revenue, and nearly two-thirds have created new jobs. The e200 graduates have also secured over \$9 million in new financing for their firms.

APPALACHIAN COMMUNITY ENTERPRISES GETS SBA PRIME GRANT

Appalachian Community Enterprises (ACE) an SBA micro lender based in Cleveland, Georgia, was one of 58 non-profits from throughout the United States that received SBA grant funding under the Program for Investment in Microentrepreneurs Act (PRIME).

"These grants are to assist low-income entrepreneurs with training and technical assistance to start, operate and grow their businesses," said Terri Denison, SBA Georgia District Director.

ACE received a \$75,000 PRIME grant that was effective

in October. ACE is one of five SBA micro lenders in the state and serves 33 counties in North Georgia.

Competition for PRIME grants was open to applicants in all 50 states and U.S. territories. ACE was the only organization in Georgia to be awarded one of the grants.

This year's total PRIME grant funding amounted to \$5 million. Grants ranged up to \$250,000 with a 50 percent match required of the recipient organization.

"ACE and the other grant

recipients are on the front line of helping entrepreneurs in underserved communities with critical tools to help them maximize their businesses, create jobs and boost the local economy," added District Director Denison.

With its grant funding, ACE will be working with Friedman Associates of Iowa to develop Georgia Green Loans for businesses with an eco-friendly product or service, or those who want to make green improvements to their businesses.

The maximum amount of these Green Loans will be \$35,000, according to an ACE spokesperson.